

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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CARTIER INTERNATIONAL AG AND CARTIER, A :
DIVISION OF RICHEMONT NORTH AMERICA, :

Civil Action No. 10-CV-8390
(LBS)

Plaintiffs,

- against -

ANSWER

ILS HOLDINGS, LLC AND SWISS WATCH
INTERNATIONAL, INC D/B/A THE SWI GROUP,

Defendants.
----- X

Defendants, ILS HOLDINGS, LLC ("ILS") and SWISS WATCH INTERNATIONAL, INC. ("SWI"), by and through undersigned counsel, for their Answer to the Complaint assert as follows:

1. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 1 of the Complaint, and therefore deny the allegations therein.
2. Defendants deny the allegations in paragraph 2 of the Complaint.
3. Defendants deny the allegations in paragraph 3 of the Complaint.

JURISDICTION AND VENUE

4. Defendants deny the allegations in paragraph 4, except to admit this Court has subject matter jurisdiction.
5. Defendants deny the allegations in paragraph 5 of the Complaint.
6. Defendants deny the allegations in paragraph 6 of the Complaint.

THE PARTIES

7. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 7 of the Complaint, and therefore deny the allegations therein.

8. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 8 of the Complaint, and therefore deny the allegations therein.

9. Defendants admit the allegations in paragraph 9 of the Complaint.

10. Defendants admit the allegations in paragraph 10 of the Complaint.

11. Defendants deny the allegations in paragraph 11 of the Complaint.

FACTS COMMON TO ALL CLAIMS FOR RELIEF

12. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 12 of the Complaint, and therefore deny the allegations therein.

13. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 13 of the Complaint, and therefore deny the allegations therein.

14. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 14 of the Complaint, and therefore deny the allegations therein.

15. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 15 of the Complaint, and therefore deny the allegations therein.

16. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 16 of the Complaint, and therefore deny the allegations therein.

17. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 17 of the Complaint, and therefore deny the allegations therein.

18. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 18 of the Complaint, and therefore deny the allegations therein.

19. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 19 of the Complaint, and therefore deny the allegations therein.

20. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 20 of the Complaint, and therefore deny the allegations therein.

21. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 21 of the Complaint, and therefore deny the allegations therein.

22. Defendants deny the allegations in paragraph 22 of the Complaint, except to admit that the content on the referenced websites speaks for itself.

23. Defendants deny the allegations in paragraph 22 of the Complaint, except to admit that the content on the referenced websites speaks for itself.

24. Defendants admit the allegation in paragraph 24 of the Complaint.

25. Defendants deny the allegations in paragraph 25 of the Complaint.

26. Defendants deny the allegations in paragraph 26 of the Complaint.

27. Defendants deny the allegations in paragraph 27 of the Complaint.

28. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 28 of the Complaint, and therefore deny the allegations therein.

29. Defendants deny the allegations in paragraph 29 of the Complaint.

30. Defendants deny the allegations in paragraph 30 of the Complaint.

31. Defendants deny the allegations in paragraph 31 of the Complaint.

32. Defendants deny the allegations in paragraph 32 of the Complaint.

33. Defendants deny the allegations in paragraph 33 of the Complaint.

34. Defendants deny the allegations in paragraph 34 of the Complaint.

35. Defendants deny the allegations in paragraph 35 of the Complaint.

- 36. Defendants deny the allegations in paragraph 36 of the Complaint.
- 37. Defendants deny the allegations in paragraph 37 of the Complaint.
- 38. Defendants deny the allegations in paragraph 38 of the Complaint.
- 39. Defendants deny the allegations in paragraph 39 of the Complaint.
- 40. Defendants deny the allegations in paragraph 40 of the Complaint.
- 41. Defendants deny the allegations in paragraph 41 of the Complaint.
- 42. Defendants deny the allegations in paragraph 42 of the Complaint.
- 43. Defendants deny the allegations in paragraph 43 of the Complaint.
- 44. Defendants deny the allegations in paragraph 44 of the Complaint.
- 45. Defendants deny the allegations in paragraph 45 of the Complaint.
- 46. Defendants deny the allegations in paragraph 46 of the Complaint.
- 47. Defendants deny the allegations in paragraph 47 of the Complaint.
- 48. Defendants deny the allegations in paragraph 48 of the Complaint.
- 49. Defendants deny the allegations in paragraph 49 of the Complaint.

FIRST CLAIM FOR RELIEF

50. Defendants repeat and reallege their answers to paragraphs 1 through 49 and so answer this paragraph.

- 51. Defendants deny the allegations in paragraph 51 of the Complaint.
- 52. Defendants deny the allegations in paragraph 52 of the Complaint.
- 53. Defendants deny the allegations in paragraph 53 of the Complaint.
- 54. Defendants deny the allegations in paragraph 54 of the Complaint.
- 55. Defendants deny the allegations in paragraph 55 of the Complaint.
- 56. Defendants deny the allegations in paragraph 56 of the Complaint.

57. Defendants deny the allegations in paragraph 57 of the Complaint.

SECOND CLAIM FOR RELIEF

58. Defendants repeat and reallege their answers to paragraphs 1 through 49 and so answer this paragraph.

59. Defendants deny the allegations in paragraph 59 of the Complaint.

60. Defendants deny the allegations in paragraph 60 of the Complaint, except to admit that Cartier has not authorized Defendants to sell or distribute Cartier products.

61. Defendants are without sufficient knowledge to admit or deny the allegations in paragraph 61 of the Complaint, and therefore deny the allegations therein.

62. Defendants deny the allegations in paragraph 62 of the Complaint.

63. Defendants deny the allegations in paragraph 63 of the Complaint.

64. Defendants deny the allegations in paragraph 64 of the Complaint.

65. Defendants deny the allegations in paragraph 65 of the Complaint.

66. Defendants deny the allegations in paragraph 66 of the Complaint.

67. Defendants deny the allegations in paragraph 67 of the Complaint.

THIRD CLAIM FOR RELIEF

68. Defendants repeat and reallege their answers to paragraphs 1 through 49 and so answer this paragraph.

69. Defendants deny the allegations in paragraph 69 of the Complaint.

70. Defendants deny the allegations in paragraph 70 of the Complaint, except to admit that Cartier has not authorized Defendants to sell or distribute Cartier products.

71. Defendants deny the allegations in paragraph 71 of the Complaint.

72. Defendants deny the allegations in paragraph 72 of the Complaint.

- 73. Defendants deny the allegations in paragraph 73 of the Complaint.
- 74. Defendants deny the allegations in paragraph 74 of the Complaint.
- 75. Defendants deny the allegations in paragraph 75 of the Complaint.
- 76. Defendants deny the allegations in paragraph 76 of the Complaint.
- 77. Defendants deny the allegations in paragraph 77 of the Complaint.

FOURTH CLAIM FOR RELIEF

78. Defendants repeat and reallege their answers to paragraphs 1 through 49 and so answer this paragraph.

- 79. Defendants deny the allegations in paragraph 79 of the Complaint.
- 80. Defendants deny the allegations in paragraph 80 of the Complaint.
- 81. Defendants deny the allegations in paragraph 81 of the Complaint.
- 82. Defendants deny the allegations in paragraph 82 of the Complaint.
- 83. Defendants deny the allegations in paragraph 83 of the Complaint.
- 84. Defendants deny the allegations in paragraph 84 of the Complaint.
- 85. Defendants deny the allegations in paragraph 85 of the Complaint.

FIFTH CLAIM FOR RELIEF

86. Defendants repeat and reallege their answers to paragraphs 1 through 49 and so answer this paragraph.

- 87. Defendants deny the allegations in paragraph 87 of the Complaint.
- 88. Defendants deny the allegations in paragraph 88 of the Complaint.
- 89. Defendants deny the allegations in paragraph 89 of the Complaint.
- 90. Defendants deny the allegations in paragraph 90 of the Complaint.
- 91. Defendants deny the allegations in paragraph 91 of the Complaint.

SIXTH CLAIM FOR RELIEF

92. Defendants repeat and reallege their answers to paragraphs 1 through 49 and so answer this paragraph.

93. Defendants deny the allegations in paragraph 93 of the Complaint.

94. Defendants deny the allegations in paragraph 94 of the Complaint, except that Cartier has not authorized Defendants to sell or distribute Cartier products.

95. Defendants deny the allegations in paragraph 95 of the Complaint.

96. Defendants deny the allegations in paragraph 96 of the Complaint.

97. Defendants deny the allegations in paragraph 97 of the Complaint.

98. Defendants deny the allegations in paragraph 98 of the Complaint.

99. Defendants deny the allegations in paragraph 99 of the Complaint.

100. Defendants deny the allegations in paragraph 100 of the Complaint.

101. Defendants deny the allegations in paragraph 101 of the Complaint.

SEVENTH CLAIM FOR RELIEF

102. Defendants repeat and reallege their answers to paragraphs 1 through 49 and so answer this paragraph.

103. Defendants deny the allegations in paragraph 103 of the Complaint.

104. Defendants deny the allegations in paragraph 104 of the Complaint.

105. Defendants deny the allegations in paragraph 105 of the Complaint.

106. Defendants deny the allegations in paragraph 106 of the Complaint.

107. Defendants deny the allegations in paragraph 107 of the Complaint.

108. Defendants deny the allegations in paragraph 101 of the Complaint.

EIGHTH CLAIM FOR RELIEF

109. Defendants repeat and reallege their answers to paragraphs 1 through 49 and so answer this paragraph.

110. Defendants deny the allegations in paragraph 110 of the Complaint.

111. Defendants deny the allegations in paragraph 111 of the Complaint.

112. Defendants deny the allegations in paragraph 112 of the Complaint.

113. Defendants deny the allegations in paragraph 113 of the Complaint.

114. Defendants deny the allegations in paragraph 114 of the Complaint.

115. Defendants deny all allegations in the WHEREFORE clauses.

116. All allegations not specifically admitted herein are denied, and strict proof thereof is demanded.

AFFIRMATIVE DEFENSES

1. The Complaint fails to state a claim, in whole or in part, upon which relief can be granted.

2. The goods at issue in this action were not used or refurbished.

3. The Complaint fails to state a claim for dilution under New York and Federal law because *Cartier* is not a “famous” mark.

4. The Complaint fails to state any claim for relief under state law as Plaintiffs’ state law claims are preempted by Federal law.

5. By any reading of the facts underlying this dispute, Plaintiff’s case is not an “exceptional case” under 15 U.S.C. § 1117, and therefore attorneys’ fees should not be awarded.

6. The Court should strike Plaintiffs' request for treble and statutory damages under 15 U.S.C. § 1117(b) and (c) in paragraph 4 of the WHEREFORE clauses in the Complaint, as there is absolutely no allegation that Defendants used a counterfeit mark in the Complaint.

7. Defendants reserve the right to raise additional defenses as discovery may reveal.

WHEREFORE, Defendants ILS HOLDINGS, LLC and SWISS WATCH INTERNATIONAL, INC., respectfully request that Plaintiff's Complaint be dismissed, and that they recover attorney's fees and costs, and such other relief as may be deemed just and proper.

Dated: New York, New York
October 25, 2010

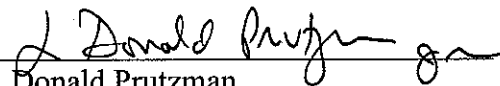
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